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Amendments to the Drawings:

Please substitute the enclosed replacement drawings (Figs. 1-3) for the drawings as originally filed.

Attachment: Replacement Sheets

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REMARKS

Entry of the foregoing amendment and reconsideration of this application are requested. Claims 1-13 and 22 have been cancelled, claims 14-21 have been allowed, and claims 23, 26 and 27 have been amended. Claims 14-21 and 23-27 are now pending in the application.

Applicant acknowledges the allowability of claims 14-21 and the conditional allowability of claims 23, 24, 26 and 27. Claims 23 and 26 have been rewritten to include limitations of their base claims, and claims 24 and 27 are properly dependent from their amended independent claims so that it is believed that claims 14-21 and claims 23, 24, 26 and 27 are allowable.

Replacement formal drawings are submitted herewith as required by the Examiner.

Claim 25 has been rejected under 35 USC §102(b) as being anticipated by Jeter (US Patent No. 4,319,649). Applicant respectfully disagrees with this rejection for the reasons set forth below.

Claim 25 relates to an arrangement in which an eccentric stabilizer is mounted upon a downhole motor, the downhole motor being operable to control the angular position of the stabilizer. In practice, this means that the motor positively drives the stabilizer for rotation relative to the supporting drill string. Often, the positive driving will be controlled so as to match the rotors speed of the drill string but in the reverse direction so that the stabilizer is stationary in space. Jeter describes an arrangement including a downhole motor 52 operable to drive a drill bit for rotation. An eccentric stabilizer is mounted upon the housing of the downhole motor 52. Unlike the arrangement of claim 25, the downhole motor 52 of the Jeter arrangement is not operable to control the position of the stabilizer. Operation of the motor 52 does not drive the housing thereof (to which the stabilizer is fixed) for rotation, but rather drives a drill bit for rotation, and so does not control the position of the stabilizer. The position of the motor housing is controlled by rotation of the drill string or pipe to which the motor

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housing is mounted. The stabilizer position is thus controlled by means other than the motor operation.

Based on the foregoing, the Examiner is requested to withdraw the rejection of claim 25 and pass the application to issue with claims 14-21 and 23-27 being deemed allowable.

Respectfully submitted,

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Attorney Docket No.: 248-00324